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OCT 2 8 1982
97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 97-807
2d Session } { Part 2

COMPLETED ORIGINAL

BANKRUPTCY COURT ACT OF 1982

SEPTEMBER 29, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. SMITH of Iowa, from the Committee on Appropriations, submitted the following

ADVERSE REPORT

[To accompany H.R. 6978]

The Committee on Appropriations, to whom was referred the bill (H.R. 6978) to provide for the appointment of United States bankruptcy judges under Article III of the Constitution, and for other purposes, having considered the same, report adversely thereon.

EXPLANATION OF COMMITTEE ACTION

H.R. 6978 was reported from the Committee on the Judiciary on September 15, 1982, and was referred to the Committee on Appropriations on September 20, 1982 for consideration as provided in section 401(b) of Public Law 93-344 (the Congressional Budget Act of 1974). Section 401(b) provides that when an authorizing committee reports a bill containing entitlement authority and the entitlement authority is in excess of the amount allocated under the budget resolution, the bill shall be referred to the Committee on Appropriations. The Appropriations Committee then has 15 legislative days in which to deal with the bill.

H.R. 6978 provides for the appointment of 227 United States bankruptcy judges under Article III of the Constitution. H.R. 6978 was referred to the Committee on Appropriations because the bill would provide new entitlement or spending authority by: (1) establishing the salary for such bankruptcy judges at $65,000 per year (the annual salary of current bankruptcy judges is $58,500); (2) providing for a new retirement program for certain current bankruptcy judges who are not reappointed; and (3) by requiring the appointment of at least one full time court reporter for each bankruptcy court at the same annual salary as authorized for a full time court reporter for a United States District Court.

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CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The Congressional Budget Office estimates that the increased salaries for bankruptcy judges under the bill would cost $300,000 in fiscal year 1983 and $1,500,000 in fiscal year 1984, increasing to $1,700,000 by fiscal year 1987, assuming annual salary increases.

CBO estimates that the new retirement benefits established in the bill for certain current bankruptcy judges who are not reappointed, would cost approximately $500,000 in fiscal year 1983, and at least $1,000,000 annually in fiscal year 1984 and beyond, and that no more than half the costs would be offset by savings realized by the Civil Service Retirement system. (Bankruptcy judges are currently covered by the Civil Service Retirement system).

At a minimum, the bill would require one full time court reporter for each of the 91 bankruptcy courts, assuming additional court reporter services are obtained under contract. CBO estimates that this provision would cost between $2,000,000 and $2,500,000 more per year than under the current system. Thus, the total additional cost of these provisions for fiscal year 1983 are estimated to be between $2,800,000 and $3,300,000 and for fiscal year 1984 to be between $4,500,000 and $5,000,000.

COMMITTEE RECOMMENDATION

The fiscal year 1983 Appropriations Bill for the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies (H.R. 6957) as reported to the House, together with fiscal year 1982 reappropriations, is $248,000 under the new budget authority allocated to the Commerce, Justice, State, and Judiciary Subcommittee by the full Committee on Appropriations under Sec. 302(b) of the Budget Act. If the Committee were to provide the new budget authority that would be required by the entitlement provisions of H.R. 6978 discussed in this report, the allocation to the Commerce, Justice, State, and Judiciary Subcommittee would have to be exceeded or some other program or programs in the FY 1983 Appropriations Bill, as reported to the House, would have to be eliminated or reduced. Since the date the bill was reported by the Committee on the Judiciary and the date the bill was referred to the Committee on Appropriations, the Judicial Conference of the United States has issued a proposed rule which provides an interim alternative to new legislation at this time.

The Committee reports the bill adversely.

INFLATIONARY IMPACT STATEMENT

Clause 2(l)(4) of rule XI of the House of Representatives requires that each committee report on a bill or resolution shall contain a statement as to whether enactment of such bill or resolution may have an inflationary impact on prices and costs in the operation of the national economy.

The Committee believes that H.R. 6978 would not have a major impact on the rate of aggregate inflation in the national economy.